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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 001932

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DOE FOR CAROLYN GAY

E.O. 12958: DECL: 09/05/2017

TAGS: [PGOV](#) [KDEM](#) [KCOR](#) [NI](#)

SUBJECT: NIGERIAN HOUSE SPEAKER EMBROILED IN SPENDING
SCANDAL

REF: ABUJA 1281

Classified By: Charge d'Affairs Robert Gribbin for reasons 1.4. (b & d)

¶1. (C) Summary: Patricia Etteh, the new Speaker of Nigeria's House of Representatives, has been implicated in a scandal involving unauthorized contracts allegedly totaling about USD 5 million to renovate her official residence and purchase several luxury cars. Etteh, who was elected Speaker largely at the behest of outgoing President Obasanjo (reftel), has come under attack, not only from opposition parties, but from senior House Members from her own party, the ruling PDP. These Members have made clear they object to both the extravagance of these contracts, and to what they see as her organizing the House in a way which pays too little regard to what they believe is their proper role and too much attention to Obasanjo's interests. End Summary.

A FIVE MILLION DOLLAR "RENOVATION"

¶2. (SBU) In mid-July, apparently in consultation with only a handful of close allies and senior House staff, newly elected House of Representatives Speaker Patricia Etteh reportedly approved contracts for 628 million Naira (approx. USD 5 Million) to renovate her official residence and purchase a fleet of luxury cars, including two Mercedes which alone totaled 50 million Naira (approx. USD 400, 000).

¶3. (SBU) When word of the contracts leaked out in late August while Etteh was on vacation in the US, they elicited a storm of protest at their sheer extravagance. Press commentators pointed out that the residence had been renovated as recently as 2003, and argued that a new luxury residence could be built for less than was being spent to renovate this one.

¶4. (SBU) The Chairman of the ruling People's Democratic Party (PDP) tried to defend Etteh, claiming she had done nothing wrong and that the party was "one thousand percent" behind her. He also claimed that the amount actually contracted to renovate the residence was "only" about USD 2 million. Media critics argued, however, that this lower number was reached by subtracting parts of the contract such as those covering renovation of the grounds and numerous outbuildings, and the purchase of the vehicles. Attempts to rebrand the renovations as "upgrades" were also dismissed.

UNHAPPINESS WITHIN THE PDP

15. (SBU) While opposition House Members were quick to echo this criticism, senior Members of Etteh's own party soon took the lead in attacking her. Farouk Lawan, Chairman of the Education Committee, and Halims Agoda, Chairman of the Air Force Committee, both called for a full inquiry into the awarding of the contracts. Lawan later formed a caucus (whom he dubbed the "Integrity Group") which he claimed included over 100 PDP House Members to push for an independent investigation.

16. (C) In an August 31 conversation with PolCouns, Lawan strongly attacked Etteh, charging that no such funds had ever been appropriated, or even proposed for appropriation, anywhere in the budget (FYI: Lawan was until June the Chairman of the Appropriations Committee. End FYI), and that the normal tendering process had been completely ignored. In any case, he added, the expenditure was an "unseemly extravagance" in a country where the large majority of people lived on less than one dollar a day.

17. (C) When pressed, Lawan acknowledged that some PDP House Members may have joined in the attacks on Etteh because they believed she had treated them unfairly in the allocation of House Chairmanships and other positions (Comment: We believe Lawan himself is aggrieved at the loss of the powerful Appropriations Chair. End comment). He described Etteh as a "lightweight" who had been virtually imposed on the House by outgoing President Obasanjo, to whom she was known to be very close.

18. (C) PolCouns noted that it was Lawan himself who had nominated Etteh for the Speakership. Lawan described his action as a bid to restore PDP unity after last year's

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struggles over Obasanjo's bid for a third term (which Lawan opposed). He had expected her to respond to this gesture by acting in consultation with other senior House Members. Instead, he argued, she had acted as if Obasanjo was still calling the shots.

19. (C) Lawan said Etteh's position was greatly weakened by President Yar'Adua's decision not to intervene on her behalf. Lawan claimed Yar'Adua considered the contracts extravagant and embarrassing, and had been particularly displeased by the 50 million Naira Mercedes cars. The President had declared publicly that he expected the House to resolve the matter on its own in accordance with its established procedures. Lawan contrasted this with the behavior of former President Obasanjo, whom he alleged would regularly and aggressively lobby House Members, using threats and bribes if necessary, to get his way. Yar'Adua was simply not doing that, and Etteh was proving inept at defending herself.

110. (C) Lawan concluded that, if Etteh wanted to hold onto the Speakership, she would need to "show contrition" both by canceling these contracts and by making clear she would in the future run the house more in consultation with her senior colleagues. (Comment: Lawan was clearly referring to himself, along with a few others. End comment). She would also have to avoid the appearance of being Obasanjo's agent, he said.

111. (U) The House of Representatives reconvened September 4 after its Summer recess, but Etteh called almost immediately for a one-day adjournment to mark the death of a former Senate President, which occurred during the recess. Etteh's supporters were able to prevail in the adjournment vote, which some observers viewed as the first test of strength between her and those calling for her ouster. Her critics, however, plan to demand a formal inquiry at the next session of the House.

Comment

112. (C) Etteh and her supporters will likely try to spin out

any inquiry as long as possible and deny her personal responsibility for the renovation contracts. In our view, however, the key question is not whether she holds onto the Speakership, but whether the National Assembly comes to function differently than it did under Obasanjo. The former President persuaded, browbeat and sometimes bribed Senators and House Members to do as he wanted, usually with success. Indeed, the failure of his push to be allowed a third term was his only significant failure in this regard, and he punished many of those who opposed him by driving them out of the PDP and office. If President Yar'Adua continues to follow a more light-handed approach to the National Assembly, as he seems to be doing here, it may become a more important branch of the Nigerian Government than it has been heretofore. We will watch closely. End comment.

GRIBBIN